

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2020–2021 and thereafter)

B.COM. DEGREE EXAMINATION NOVEMBER 2023
HONOURS
THIRD SEMESTER

COURSE : MAJOR – CORE
PAPER : BANKING AND FINANCIAL SERVICES
SUBJECT CODE : 20BH/MC/BF34
TIME : 3 HOURS **MAX. MARKS: 100**

SECTION – A

ANSWER ALL QUESTIONS: (10 x 2 = 20)

1. Define investment banking.
2. Write a short note on book building process.
3. What is Demat account?
4. Who is a depository participant?
5. List out any two differences between mortgage and pledge.
6. What is NBFC?
7. Define factoring.
8. Give the meaning of forfeiting.
9. State any two methods of venture capital financing.
10. What is SHG?

SECTION – B

ANSWER ANY FIVE QUESTIONS: (5 x 8 = 40)

11. Explain the functions of investment banking in economic development.
12. Differentiate NSDL from CDSL.
13. Elaborate the various types of NBFC in detail.
14. Explicate the advantages and disadvantages of factoring.
15. Explain the steps involved in the forfeiting transactions.
16. Elucidate the differences between hire purchase and leasing.
17. How do you approach credit rating for your company's credit instruments? Explain the types of credit rating.

SECTION – C

ANSWER TWO QUESTIONS: (2 x 20 = 40)

Question No: 21 is compulsory

18. Describe the rights and obligations of depository participants in detail.
19. Explain the process of availing housing loan. Critically analyze the housing finance in terms of interest rate, tax implications before you avail.
20. Discuss the securitization of debt and its benefits.

21. ABC Tech Solutions is a burgeoning startup founded in 2019, specializing in innovative software solutions for the healthcare industry. Recognizing the potential for rapid growth, the founders have decided to seek venture capital (VC) funding to fuel their expansion.

Background

ABC Tech Solutions has developed a cutting-edge healthcare management platform that streamlines processes, enhances data security, and improves overall efficiency for healthcare providers. The product has gained traction in the market, and the founders believe that with sufficient capital infusion, they can scale operations, reach new markets, and solidify their position as industry leaders.

Venture Capital Funding

The founders have engaged in discussions with several venture capital firms and have successfully secured a Series A funding round. The VC firm, XYZ Ventures, has invested \$10 million in exchange for a 20% equity stake in ABC Tech Solutions. The funding will be used for research and development, hiring key talent, and expanding the sales and marketing efforts.

Questions

- a) What criteria do venture capitalists typically consider when evaluating potential investments?
- b) What strategies can the company employ to ensure efficient and effective use of the venture capital?
- c) What challenges might ABC Tech Solutions face as they embark on rapid expansion with the new funding?
- d) Beyond the immediate growth facilitated by venture capital, what steps should ABC Tech Solutions take to ensure long-term sustainability?
